

Arizona State Retirement System Bill Tracker
ASRS Related Legislation – 48th Legislature – First Regular Session
(Ending Friday, May 11, 2007)

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
<p>HB 2141 – ASRS; benefits; normal retirement Sponsors: McClure, Crandall As Introduced:</p> <ul style="list-style-type: none"> Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2008. Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2008. Proscribes a member from receiving employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2008. Clarifies that a member who purchases previously forfeited service credit is subject to the benefit structure in place when the person again becomes a member. Requires the ASRS to recover overpaid money by reducing a benefit owed to any member, beneficiary, or alternate payee. Appropriates \$1,341,000 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. <p>See also: SB1060</p>	<p>Status: 1/16 First read 1/17 Second read 1/22 PIR DP 7-3-0-0 Next Stop: Hse Rules DEAD, but see SB1060</p>	<p>As Introduced: The ASRS projects that it will cost \$1,341,000 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.</p>	<p>As Introduced: No immediate actuarial effect because the changes would apply to new members only (open group forecast).</p> <p>By 2036 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.50% Rule of 85: 0.47% Refunds: 0.10% (maximum savings of 0.26% reached in 2021)</p> <p>Present Value of Savings: Average Monthly Salary: \$878 million Rule of 85: \$739 million Refunds: \$362 million</p>

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HB 2145 – ASRS; long-term disability amendments Sponsor: McClure As Chaptered: <ul style="list-style-type: none"> Modifies the Social Security offsets from 64% of SS Disability and 83% of SS Retirement to 85% for a member who becomes disabled on or after July 1, 2008, but excludes attorney's fees approved by SS rules, reasonable documented costs, and any COLAs from the offsets. Modifies the pre-existing condition look back provisions from 3 months to 6 months for a member hired on or after July 1, 2008. Requires the ASRS to recover overpaid money by reducing a benefit owed to any member, beneficiary, or alternate payee. 	Status: 4/24 Signed by Governor CHAPTER 114	As Chaptered: None expected.	As Chaptered: If the 85% offsets had been in place for the 2006 valuation, the ASRS would have saved \$709,817 per month (\$8,517,804 annually) in LTD payments. Implementing 85% offsets and a 6-month look back period will reduce total annual contributions (ER + EE) by \$15,909,000 and reduce the contribution rate for each ER and EE by 0.09% after all claims subject to current offset and pre-existing condition rules have terminated.
HB 2146 – appropriation; retirement system; Burke litigation Sponsors: McClure, Crandall As Introduced: Appropriates \$5.2 million from the GF to the ASRS to pay for attorney fees and costs incurred on behalf of employers in the <i>Burke</i> lawsuit. Ensures that employers who have already paid their portion of the liability will be reimbursed from the appropriation. Emergency clause.	Status: 2/5 First read 2/6 Second read Next Stop: Hse APPROP DEAD	As Introduced: None expected.	As Introduced: None expected.
HB 2147 – ASRS; investment management Sponsors: McClure, Crandall As Amended in Conference Committee: <ul style="list-style-type: none"> Removes the requirement that a fund manager must have \$250 million currently under advisement, but clarifies that experienced employees within a firm meet the 3-year experience requirement. Establishes that proprietary commercial information connected with ASRS's investments is confidential and not a public record if the information would not customarily be released to the public by the person or entity from whom the information was obtained. Increases the foreign investment cap from 20% to 30%. 	Status: 1/16 First read 1/17 Second read 1/22 PIR DP 10-0 1/30 Hse GOV DPA 9-0-0-1 2/13 C&P Hse Rules 2/13 Min Caucus Y 2/20 Maj Caucus Y 2/22 Hse COW DPA 2/26 Third Read 58-1-1 2/27 First Read 3/12 FIIR DPA 5-0 3/19 Rules PFC 3/20 Maj & Min Caucus Y 3/29 Sen COW DPA 4/3 Third Read 23-5-2 4/5 Hse refuse 4/24 CC Report Adopted Next Stop: Hse & Sen Final Read	As Amended in CC: None expected.	As Amended in CC: None expected.

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SB 1199 – ASRS; unclaimed monies Sponsor: Gorman As Amended in PIR: <ul style="list-style-type: none"> Exempts the ASRS from statutory unclaimed property procedures. Assumes that property is abandoned if the apparent owner has not communicated or shown an interest in the property within three years of the IRS's minimum distribution date (age 70.5). States that interest stops accruing on property when it becomes abandoned. Requires the ASRS to annually send a letter to an apparent owner beginning 5 years before the IRS minimum distribution date and for three years thereafter. If the letter is returned, requires the ASRS to make a good faith effort to locate the apparent owner by utilizing beneficiaries, public databases, third party address verification services, or a people search service (if the base amount is more than \$300). Requires the ASRS to pay the money or a benefit to a person who returns to claim previously abandoned money. Requires the ASRS to send an annual electronic file of abandoned monies to the Arizona Department of Revenue (DOR). Appropriates \$137,607 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. Effective July 1, 2007. 	Status: 1/22 First Read 1/23 Second Read 1/29 FIIR DP 4-1 2/13 APPROP DP 10-0-1 2/26 Rules PFC 2/27 Maj & Min Caucus Y 3/1 Sen COW DPA 3/5 Third Read 27-0-3 3/6 Hse First Read 3/12 PIR DPA 8-0-2 4/4 APPROP DP 14-0-3 4/24 Hse Rules C&P 4/24 Maj & Min Caucus Y Next Stop: Hse COW	As Amended in PIR: The ASRS projects that it will cost \$137,607 to implement these changes, which represents the costs of computer programming, staff training, and communications. Additional costs for people search service to be determined.	As Amended in PIR: The actuary estimates that ASRS would recover \$2,499,000 in the first year and \$513,000 annually thereafter, net of future claims. Exempting ASRS from the State Unclaimed Property Act will: In the first year, reduce total annual contributions (ER + EE) by \$206,000 and reduce the contribution rate by 0.0025%. In subsequent years, reduce total annual contributions (ER + EE) by \$42,000 and reduce the contribution rate by 0.0005%.

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SB 1200 – public supplemental defined contribution plans Sponsor: Gorman As Chaptered: <ul style="list-style-type: none"> Allows the employee to determine whether employer matching money will be made to the plan in which the employee participates or to any other savings plan of the employer (i.e., 403(b), 457, 401(a)). Removes the 1% minimum employee contribution. Clarifies that an employee may contribute either percentage of gross compensation, a fixed dollar amount, an amount specified in the plan, or some other definitive amount that may not be modified or revoked by the employee, rather than only a percentage of compensation. 	Status: 4/18 Signed by Governor CHAPTER 98	As Chaptered: None expected.	As Chaptered: None expected.
HB 2215 – retirement plans; domestic relations orders Sponsor: McClure As Chaptered: Establishes domestic relations orders procedures for PSPRS, CORP, and EORP.	Status: 4/18 Signed by Governor CHAPTER 87	As Chaptered: None expected.	As Chaptered: None expected.
HB 2311 – water; maximum daily loads; report S/E: rural healthcare subsidy Sponsor: Barnes, et al. As amended in NRRA: <ul style="list-style-type: none"> Provides a rural health insurance subsidy for Medicare-eligible ASRS, EORP, PSPRS and CORP members for an additional 2 years through FY09. Specifies that a member living in a non-service area who is enrolled in a managed care program is not eligible for the premium benefit supplement. Contains an emergency clause 	Status: 1/18 First Read 1/22 Second Read 1/24 ENV DP 5-4-0-1 1/18 Hse Rules C&P 1/30 Maj & Min Caucus Y 1/30 COW DP 2/5 Third Read 42-16-2 2/06 Sen First Read 2/12 Sen Second Read 3/21 NRRA DPA/SE 7-0 4/2 Sen Rules PFC 4/3 Min Caucus Y 4/4 Maj Caucus HELD Next Stop: Maj Caucus	As Amended in NRRA: None expected.	As Amended in NRRA: Increase in annual cost of \$2,953,815, with the two-year cost of \$5,907,630. Increase in UAAL: \$5,470,028. Increase in total annual contribution (ER + EE) by \$449,899 and increase the total contribution rate (ER + EE) by 0.0054%. However, because the subsidy is a “temporary” program, the ASRS does not include the costs in the annual valuation. If the program becomes “permanent” expect an increase in total contribution by \$5,962,295 and total contribution rate by 0.717%. Increase in UAAL by \$58,299,228.

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SB 1556 – NOW: ASRS; postdoctoral scholars; eligibility Sponsor: Tibshraeny As Chaptered: Exempts postdoctoral scholars from ASRS membership.	Status: 5/2 Signed by Governor CHAPTER 173	As Chaptered: None expected.	As Chaptered: Present value of losses projected at \$175,150,000. If the ASRS were to recognize that amount immediately (which it would not—it would happen over time), the contribution rate would increase by .087% for each ER and EE.
HB 2024 – defined contribution plan; technical correction Sponsor: McClure As Passed the House: Technical change to 38-772 (prior service credits under defined contribution program administered by ASRS; definition). Apparent striker vehicle.	Status: 1/08 First read 1/09 Second read 2/7 Maj & Min Caucus Y 2/14 Third Read 58-0-2 2/15 Sen First Read 2/20 Sen Second Read DEAD	As Passed the House: None expected.	As Passed the House: None expected.
HB 2027 – ASRS; employer termination incentive program Sponsor: McClure As Introduced: Reduces the interest-free grace period within which an employer may pay the unfunded liability cost of a retirement incentive program from 90 to 60 days.	Status: 1/08 First read 1/09 Second read Probable Striker DEAD	As Introduced: None expected.	As Introduced: None expected.
HB 2132 – AHCCCS; retirees; eligible members Sponsors: Farley, Sinema, et al. As Introduced: Retirees of ASRS, PSPRS, CORP, and EORP, and ORP are eligible for AHCCCS coverage if they are not covered by the insurance plan for active state employees.	Status: 1/16 First read 1/17 Second read Next Stop: PIR DEAD	As Introduced: None expected.	As Introduced: None expected.
HB 2140 – special retirement plans; omnibus amendments Sponsor: McClure As Passed the House: 91-page omnibus for PSPRS, CORP, and EORP making many changes including: allowing outside investment managers, increasing the foreign investment cap from 10% to 30%, modifying domestic relations orders, and allowing air-time service purchases (through 2010).	Status: 1/16 First read 1/17 Second read 2/5 PIR DPA 10-0 2/20 Hse Rules C&P 2/20 Maj & Min Caucus Y 3/20 Hse COW DPA 3/26 Third Read 58-0-2 3/27 First Read 3/28 Second Read Next Stop: FIIR DEAD	As Passed the House: None expected.	As Passed the House: None expected.

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<p>HB 2142 – CORP; membership; ordinary disability Sponsors: McClure, Alvarez</p> <p>As Amended in COW: Adds the fund manager (all administrative staff) of PSPRS to the list of participating employers under CORP. Specifies that service purchased under an existing payroll deduction agreement shall be transferred annually and upon termination to CORP and any funding deficiencies shall be made up by the employer. Makes changes in eligibility for ordinary disability retirement and in the duties of local boards in determining eligibility. Retroactive to July 1, 2007.</p>	<p>Status: 1/16 First read 1/17 Second read 1/22 PIR DPA 9-0-0-1 1/30 Hse Rules C&P 1/30 Maj & Min Caucus Y 2/8 Hse COW DPA Next Stop: Hse Third Read DEAD</p>	<p>As Amended in COW: None expected.</p>	<p>As Amended in COW: None expected.</p>
<p>HB 2192 – ASRS; postdoctoral scholars; eligibility Sponsor: Konopnicki</p> <p>As Passed the House: Exempts postdoctoral scholars from ASRS membership. See also: SB1556</p>	<p>Status: 1/16 First read 1/17 Second read 1/29 PIR DP 10-0 2/6 Hse HED DP 9-0-0-1 2/13 Hse Rules C&P 2/13 Min Caucus Y 2/20 Maj Caucus Y 2/20 Third Read 56-0-4 2/21 Sen First Read 2/22 Sen Second Read DEAD, but see SB1556</p>	<p>As Passed the House: None expected.</p>	<p>As Passed the House: TBD.</p>
<p>HB 2196 – retiree health insurance; rural subsidy Sponsors: Konopnicki, et al.</p> <p>As Introduced: Extends the rural health insurance subsidy for Medicare eligible retirees an additional 2 years through FY09. Emergency clause.</p> <p>Proposed Striker for PIR: Provides a rural health insurance subsidy for Medicare-eligible and non-Medicare-eligible ASRS, EORP, PSPRS and CORP members for an additional 2 years through FY09. Specifies that a member living in a non-service area who is enrolled in a managed care program is not eligible for the premium benefit supplement. Expands the definition of “non-service area” to include areas in which no HMO services are actually available. See also: HB2311</p>	<p>Status: 1/16 First read 1/17 Second read 2/12 PIR HELD 2/13 PIR Withdrawn Next Stop: Hse APPROP Striker: Same Subject DEAD, but see HB2311</p>	<p>Proposed Striker: TBD.</p>	<p>Proposed Striker: Increase in annual cost of \$8,628,373, with the two-year cost of \$17,257,746. Increase in UAAL: \$15,978,469.</p> <p>Increase in total annual contribution (ER + EE) by \$1,314,197 and increase the total contribution rate (ER + EE) by 0.0158%. However, because the subsidy is a “temporary” program, the ASRS does not include the costs in the annual valuation. If the program becomes “permanent” expect an increase in total contribution by \$14,973,628 and total contribution rate by 0.18%. Increase in UAAL by \$133,373,180.</p>

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HB 2269 – CORP; joinders; dispatchers; asset transfer Sponsors: McClure, et al. As Passed the House: Allows full-time dispatchers whose employer enters into a joinder agreement for membership in CORP to transfer their credited service from another state retirement plan to CORP. Specifies that service purchased under an existing payroll deduction agreement shall be transferred annually and upon termination to CORP and any funding deficiencies shall be made up by the employer.	Status: 1/18 First Read 1/22 Second Read 1/29 PIR DPA 10-0 2/6 Hse Rules C&P 2/6 Maj & Min Caucus Y 2/8 COW DPA 2/12 Third Read 39-19-2 2/13 Sen First Read 2/20 Sen Second Read DEAD	As Passed the House: None expected.	As Passed the House: None expected.
HB 2585 – private retiree health insurance; subsidy Sponsor: McClure As Introduced: Removes all rural subsidies for PSPRS and CORP. Provides a \$25 monthly subsidy to a retiree who secures private health insurance, if the employer agrees to handle administrative functions associated with payment of the subsidy.	Status: 1/18 First read 1/22 Second read 2/5 PIR HELD 2/13 PIR Withdrawn DEAD	As Introduced: None expected.	As Introduced: Probably none to ASRS. Potential impact on costs of retiree health care premiums. PSPRS increase in ER contribution rate: 0.10%, UAAL: \$15 million. CORP increase in ER contribution rate: 0.15%, UAAL \$6.8 million.
HB 2630 – ASRS; retirees; graded multiplier increase Sponsors: Kirkpatrick, Ableser, et al. As Introduced: Provides a 1-time prospective retirement benefit increase to members receiving benefits on May 8, 2001 of: <ul style="list-style-type: none"> • 2.38% for 20-24.99 years of service • 4.76% for 25-29.99 years of service • 9.52% for 30+ years of service 	Status: 2/5 First read 2/6 Second read DEAD	As Introduced: TBD.	As Introduced: Increase in Actuarial Accrued Liability: \$217,229,985. Increasing the retiree benefit will increase in total annual contribution (ER + EE) by \$17,866,732 and increase the contribution rate for each ER and EE by 0.11%.
HB 2654 – ASRS; return to work; conditions Sponsors: Sinema, Ableser, Gallardo, Pancrazi, Saradnik, Schapira, Thrasher, et al. As Introduced: Prevents a member who returns to work for an employer under a contract with a private entity from concurrently receiving their pension.	Status: 2/5 First read 2/6 Second read DEAD	As Introduced: TBD.	As Introduced: TBD.
HCR 2040 – public defined benefit plans Sponsor: Campbell CL, et al. As Introduced: Proclaims that the Legislature opposes in principle the replacement of defined benefit plans with defined contribution plans as the core retirement benefit for participants of the ASRS, whether that replacement takes the form of mandatory or optional conversion.	Status: 2/5 First read 2/6 Second read DEAD	As Introduced: None expected.	As Introduced: None expected.

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SB1104 – information security and privacy office Sponsors: Burns, Arzberger, et al. As Introduced: Establishes a statewide Information Security and Privacy Office within GITA to develop and implement a statewide plan to assure security for all information in government agencies.	Status: 1/11 First read 1/16 Second read 1/22 GOV DPA 7-0 2/20 APPROP DPA 9-0-2 Next Stop: Sen Rules DEAD	As Introduced: TBD.	As Introduced: None expected.
SB 1209 – PSPRS; prior service redemption Sponsor: Huppenthal As Introduced: Expands the types of past service that a PSPRS member may purchase.	Status: 1/22 First read 1/23 Second read DEAD	As Introduced: None expected.	As Introduced: None expected.
SB 1243 – ASRS; reinstatement; technical correction Sponsor: Gorman As Introduced: Technical change to §38-742 (reinstatement). Apparent striker vehicle.	Status: 1/23 First read 1/24 Second read DEAD	As Introduced: None expected.	As Introduced: None expected.
SB 1308 – CORP; probation officers; service purchase Sponsor: Johnson As Introduced: Requires ASRS to transfer annually to CORP service purchased under an existing payroll deduction agreement for probation, surveillance, or juvenile detention officers. Specifies any deficiencies shall be made up by the employer.	Status: 1/24 First read 1/25 Second read DEAD	As Introduced: TBD.	As Introduced: TBD.
SB 1309 – CORP; disability retirements Sponsor: Johnson As Introduced: Modifies CORP disability retirement provisions.	Status: 1/24 First read 1/25 Second read 2/12 FIIR DP 5-0 2/21 Rules PFC 2/21 Maj & Min Caucus Y DEAD	As Introduced: None expected.	As Introduced: None expected.
SCR 1016 – NOW: public agency lobbying prohibition Sponsor: Linda Gray As Amended in PSHS (striker): Adds a ballot measure to prohibit public bodies from lobbying the Legislature or spending public resources on lobbying. Allows public bodies to provide expert testimony only if requested by the Legislature.	Status: 1/25 First read 1/29 Second read 2/13 JUD Withdrawn 2/15 PSHS DPA/SE 4-3 DEAD	As Amended: None expected.	As Amended: None expected.

GUIDE TO ACRONYMS

AHCCCS	Arizona Health Care Cost Containment System	HHR	House Hearing Room
AMEND C&P	Constitutional and Proper as Amended by the House Rules Committee	Hse	House of Representatives
APPROP	Appropriations Committee	HSPR	Homeland Security and Property Rights Committee
ARS	Arizona Revised Statutes	HUSV	Human Services Committee
ASRS	Arizona State Retirement System	JUD	Judiciary Committee
CC	Conference Committee	K-12	Education K-12 Committee
C&P	Constitutional and Proper	LTD	Long Term Disability
CMMA	Counties, Municipalities and Military Affairs Committee	Maj	Majority
COM	Commerce Committee	Min	Minority
CORP	Corrections Officer Retirement Plan	NRPS	Natural Resources and Public Safety Committee
COW	Committee of the Whole	NRRA	Natural Resources and Rural Affairs
DP	Do Pass	PFC	Proper for Consideration
DPA	Do Pass as Amended	PFCA	Proper for Consideration as Amended by the Senate Rules Committee
EE	Employee	PIR	Public Institutions and Retirement Committee
EORP	Elected Officials' Retirement Plan	PSHS	Public Safety and Human Services Committee
ENVIRON	Environment Committee	PSPRS	Public Safety Personnel Retirement System
ER	Employer	SB	Senate Bill
FII	Financial Institutions and Insurance Committee	S/E	Strike Everything Amendment
FIIR	Financial Institutions, Insurance and Retirement Committee	Sen	Senate
FIN	Finance Committee	SHR	Senate Hearing Room
GF	General Fund	TBD	To Be Determined
GOV	Government Committee	TRANS	Transportation Committee
HB	House Bill	UAAL	Unfunded Actuarial Accrued Liability
HEA	Health Committee	WAG	Water and Agriculture Committee
HED	Higher Education Committee	WM	Ways and Means Committee

If you have questions regarding ASRS legislation, please contact
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